

## End of Year Payroll Announcements

As we approach the end of the calendar year, a number of events may affect your payroll results for pay periods at the end of 2008 and the beginning of 2009. This notice provides an overview of these important items, as well as Web sites if available.

**Number of pay periods** — 2008 has 26 pay periods; the final official payday will be on December 30, 2008. 2009 also has 26 pay periods. The final official payday for 2009 is December 29, 2009.

**Thrift Savings Plan (TSP) Contributions** — TSP contributions are limited to a maximum of \$15,500 in 2008. The cap is changing to \$16,500 for 2009. Authorized biweekly contribution amounts or percentages will automatically carry over from 2008 into 2009 unless changed or canceled by the employee. Deductions may be changed at any time in Employee Express at [www.employeeexpress.gov](http://www.employeeexpress.gov).

**Thrift Catch-up Contributions (TCC)** — TCC authorized in 2008 will stop after pay period 26 in 2008 unless re-authorized by the employee for 2009. This re-authorization can be made via Employee Express beginning December 7, 2008. TCC transactions entered into Employee Express before that date will apply only to 2008. TCC is also subject to an annual limit established by the Internal Revenue Service (IRS). The limit is \$5,500 for 2009.

**2008 Federal Benefits Open Season** — The 2008 Federal Benefits Open Season for Federal Flexible Spending Account (FSAFEDS), the Federal Employee Dental and Vision Insurance Program (FEDVIP), and the Federal Employee's Health Benefits (FEHB) program will run from Monday, November 10, 2008 through Monday, December 8, 2008.

- **Health Benefits** — Coverage under a new health plan will be effective the first day of the pay period beginning on or after January 1, 2009; for National Business Center (NBC) clients this will be January 4, 2009, pay period 2 in 2009. Enrollees will remain covered and receive the 2009 benefits of the old plan until coverage under the new plan becomes effective.
- **Flexible Spending Accounts** — Pre-tax deductions for the Flexible Spending Program will also automatically stop after pay period 26 in 2008 unless re-authorized by the employee. Employees may authorize 2009 deductions during Open Season via [www.fsafeds.com](http://www.fsafeds.com).
- **Dental and Vision Benefits** — Dental and vision coverage authorized in 2008 will continue without action by the employee. It should be noted, however, that the premium rates are changing for 2009. To view the new rates or to obtain more information, the employee should go to [www.benefeds.com](http://www.benefeds.com).

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**W-2s** — Form W-2, Wage and Tax Statement, will be available for viewing and printing in Employee Express by January 14, 2009. In addition, hardcopy W-2s will be provided to all employees who did not elect to turn off the printed W-2. Hardcopy W-2s will be mailed no later than January 20, 2009. Printed W-2s will be sent to the employee's address of record. We encourage everyone expecting a printed W-2 to verify that the Federal Personnel Payroll System (FPPS) has their correct address. The address can be verified, and changed if necessary, in Employee Express. Addresses can also be verified by reviewing the latest electronic or hardcopy Leave and Earnings Statement.

**State and Local Taxes** — We encourage every employee to review his/her Leave and Earnings Statement to ensure that taxes are being withheld from the correct state and/or locality. If taxes are being withheld for the incorrect state or locality, the employee should identify the problem to the appropriate payroll liaison or personnel office as soon as possible. The Payroll Office has a limited capability to correct prior year tax errors, and 2008 errors not identified until 2009 may require the employee to file a tax return to recover taxes withheld for the wrong tax entity.

**Combined Federal Campaign (CFC)** — CFC deductions for the 2009 campaign year will begin in pay period 2 in 2009 (beginning January 4, 2009) and end with pay period 1 in 2010 (ending January 2, 2010). The IRS has published a proposed rule that would require CFC contributions made by payroll deduction be substantiated by both a copy of the CFC Pledge Card and a copy of the final Leave and Earnings Statement showing the year-to-date amount of CFC deductions. While it is not known when this rule will be finalized, employees planning to report the CFC deductions on their tax returns should be advised to retain these documents with their tax records.

**Leave Year** — The 2008 leave year ends January 3, 2009. The 2009 leave year is 26 pay periods, beginning with pay period 2 in 2009 (beginning January 4, 2009) and ending with pay period 1 in 2010 (ending January 2, 2010).

**Pay Calendars** — The pay period calendar for 2009 is available for review and printing from the NBC home page at [www.nbc.gov](http://www.nbc.gov). The **Download NBC 2009 Payroll Schedule** button is located in the upper right corner of the page.

Any questions concerning this notice, contact:  
**NSSC Customer Contact Center**  
1-877-NSSC123 or [nssc-contactcenter@nasa.gov](mailto:nssc-contactcenter@nasa.gov)

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